

News from Ed Markey

United States Congress

Massachusetts Seventh District

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MA CONGRESSIONAL DELEGATION URGES ROMNEY TO OPPOSE BUSH HOUSING BUDGET CUTS

Washington, DC: Rep. Edward J. Markey (D-MA) today released a letter to Governor Mitt Romney signed by the entire Massachusetts Congressional Delegation urging his opposition to a proposal by the Bush Administration to cut funding for the Community Development Block Grant (CDBG) program by \$1.6 billion, and to move it from Department of Housing and Urban Development (HUD) to the Commerce Department. The CDBG program, which was started in 1974, provides grant funds to communities for the purpose of assisting low-income residents.

“The proposed cuts will cause significant harm to the economic security of the Commonwealth,” said Rep. Markey. “I will continue to fight this irresponsible Bush Administration plan to pay for its tax cuts for the wealthiest Americans using funds intended to help the neediest.”

According to the U.S. Conference of Mayors (which, along with the League of Cities, the National Association of Counties, the National Association of Housing and Redevelopment Officials, the National Community Development Association, and the Local Initiatives Support Corporation, also opposes the Bush Administration proposal), in FY 2004 159,703 households received housing assistance from CDBG. This included 11,000 new homeowners, and the rehabilitation of 19,000 rental housing units and 112,000 owner occupied homes. The program also funds projects and services that are not housing-related, such as new or improved roads, fire stations, libraries, employment training, child care, assistance to battered and abused spouses, and legal services. More than 90,000 jobs were created or retained with the use of CDBG funds. Furthermore, for every one dollar of CDBG funding, approximately \$2.79 in private funding was leveraged for economic development projects like shopping centers and grocery stores.

While the proposed cuts to the CDBG program would adversely impact all of its functions, it appears that the housing-related activities may be disproportionately impacted, since the proposal would prevent housing-related activities from being eligible for the funds in the first place. This implies that of the \$1.6 billion in proposed cuts, \$1.16 billion is intended to represent the elimination of these programs. Moreover, the proposal also limits funding to only the most distressed communities, which would effectively abandon efforts to help the millions of low-income persons living in middle income and higher income communities.

The Congressmen’s letter requested that the Governor also oppose the Bush Administration’s proposal, and provide an assessment of the impact it would have on the Commonwealth of Massachusetts. For a copy of the letter, please see www.house.gov/markey

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